

Analysis of Section 18, P. L. No. 135, May 24, 1924;
43 Stat. 144, Relating to the Establishment of the Foreign
Service Retirement and Disability Fund

1. Eligibility

Coverage is extended to any diplomatic secretary or consular officer who has been or any Foreign Service officer * who may hereafter be promoted from the classified service to the grade of ambassador or minister, or appointed to a position in the Department of State in the same manner and under the same conditions as Foreign Service officers. Retirement may be effected upon reaching age 65 with a minimum of 15 years' service. Such officers may at the discretion of the President be retained for an additional maximum period of 5 years.

2. Contributions

The Foreign Service officer contributes 5% of his basic salary through payroll deductions on a maximum salary basis of \$9000. Aggregate total Government appropriations are not to exceed the aggregate total contributions of the Foreign Service officers theretofore made including accumulated interest.

3. Annuities

a. Scale

Annuities are paid under the following classifications, based on length of service and at the following percentages of the average annual basic salary for the ten years next preceding the date of retirement:

Class A, 30 years or more, 60%
Class B, 27 to 30 years, 54%
Class C, 24 to 27 years, 48%
Class D, 21 to 24 years, 42%
Class E, 18 to 21 years, 36%
Class F, 15 to 18 years, 30%

b. Non-contributory Periods

Officers who retire before having contributed for each year of service will have withheld from their annuities such proportion of 5 per centum as the number of years in which they did not contribute bears to the total length of service.

* "Foreign Service officers" denotes permanent officers in the Foreign Service below the grade of minister, subject to promotion on merit, and who may be assigned to duty in either the diplomatic or consular branch of the Foreign Service at the President's discretion.

c. Separation before Retirement Age

In cases of separation before retirement age except for disability, the officer receives a refund of 75% of the total amount of his salary contributions without interest.

d. Death before Retirement Age

If an officer dies without reaching retirement age, his total salary contributions with interest at 4% compounded annually to time of his death is paid to his legal representatives.

e. Death before Receipt of Total Contributions

If death occurs before an annuitant has received annuities in an amount equal to the total of his salary contributions with interest thereon at 4% compounded annually up to time of his death, the excess of said accumulated contributions over said annuity payments are paid to his legal representatives.

f. Employment after Retirement

If an annuitant accepts employment, the emoluments of which are greater than the annuity received, the amount of said annuity during the continuance of said employment is reduced by an equal amount. Annuitants must notify the Secretary of State once a year of any employment accepted and amount of compensation received; otherwise, the annuity payment is suspended until receipt of such report.

g. Creditable Service

The period of service is computed from date of original oath of office as secretary in the Diplomatic Service, consul general, consul, vice-consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times in either the Diplomatic or Consular Service, or while on assignment to the Department of State, or on special duty, but all periods of separation from the service and so much of any period of leave of absence as may exceed 6 months are excluded; provided, service in the Department of State prior to appointment as a Foreign Service officer may be included upon payment into the Foreign Service retirement and disability fund of a special contribution equal to 5% of his annual salary for each such year of employment with interest thereon to date of payment compounded annually at 4%.

h. Unhealthy Posts

The President will establish from time to time by Executive Order a list of places in tropical countries which by reason of climatic or other extreme conditions are to be classed as unhealthy posts and each year of duty at such posts, while so classed, inclusive of regular leaves of absence, shall be counted as 1 1/2 years, and so on in like proportion in reckoning length of service for retirement purposes.

4. Disability Allowance

a. Eligibility

A Foreign Service officer who before reaching the age of retirement becomes totally disabled for service by reason of disease or injury not due to vicious habits, intemperance, or wilful misconduct on his part may upon his own application or upon order of the President be retired on an annuity per the scale outlined in paragraph 3 a. supra. Disability is determined on report of a physician or surgeon designated by the Secretary of State and unless the disability is permanent, annual examinations are made to determine the degree of disability. The annuity payments close from the date of the medical examination showing recovery.

b. Fees

Fees for examinations, together with reasonable travel and other expenses incurred in order to submit to an examination are paid out of the Foreign Service retirement and disability fund.

c. Discontinuance of Annuity

When the annuity is discontinued before the annuitant has received a sum equal to the total amount of his contributions with accrued interest, the difference shall be paid to him or to his legal representatives.

5. General Provisions

a. Responsibilities

The President prescribes rules and regulations for the establishment of the Foreign Service retirement and disability system; the Secretary of State administers the system and is responsible for reporting functions; and the Secretary of the Treasury is responsible for the investment of the monies of this special fund.

b. Non-Assignability of Monies

None of the monies mentioned in Sec. 18 are assignable, either in law or equity, nor are they subject to execution, levy, or attachment, garnishment, or other legal process.

c. Expenses Paid from Fund

The Secretary of State may expend from surplus money to the credit of this fund an amount not exceeding \$5000 for the expenses necessary in carrying out the provisions of Sec. 18, including actuarial advice.

Note: Sec. 19 of P. L. 135 provides that when an annuitant is recalled to temporary duty in the event of a public emergency, he is entitled to full pay of the class in which he is temporarily serving in lieu of his retirement allowance.